



**U.S. Department of Justice**

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FOR IMMEDIATE RELEASE**

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**FORMER ANNE ARUNDEL ACCOUNTANT INDICTED FOR TAX FRAUD,  
MAIL FRAUD, BANK FRAUD AND MONEY LAUNDERING**

**Baltimore, Maryland** - Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced today that a federal grand jury indicted Charles G. Fagan, age 62, of Annapolis, Maryland, for crimes allegedly committed from about 2000 to 2003 in connection with various schemes to defraud the Internal Revenue Service as well as several clients of his accounting practice.

The sixteen count indictment charges Fagan with making numerous false claims against the United States with respect to his own tax returns, which resulted in Fagan receiving tax refunds in excess of \$130,000.

The indictment also alleges that after his CPA license was revoked in January 2002, Fagan continued to hold himself out to clients and the IRS as a certified public accountant.

The indictment further alleges that Fagan, who owned and operated Fagan & Associates, an accounting firm with offices in several locations in Anne Arundel County, Maryland, devised several schemes to defraud various financial institutions and clients of his accounting practice. Fagan is alleged to have falsified a power of attorney and sold property that belonged to a client.

Fagan is charged with using the proceeds of the sale of that property, in excess of \$150,000, for his own personal benefit.

Fagan is also alleged to have stolen approximately \$80,000 from a client shortly after her death by diverting her tax refund to his relative's bank account, and by falsifying documentation to the client's trust company which suggested that she owed taxes to the IRS, causing the trust company to mail a check to Fagan. The indictment alleges that Fagan thereafter deposited the check into his own account for his personal benefit.

The indictment further alleges that Fagan committed bank fraud by stealing approximately \$100,000.00 from the bank account of a former client.

Finally, it is alleged that Fagan accepted money from a client to obtain a lien release for a Notice of Federal Tax Lien filed against the client. Fagan is charged with falsifying documentation to make it appear that he had performed this service when he had not.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

Fagan faces a maximum sentence of five years in prison for each count of filing a false claim and making a false statement, 20 years in prison for each count of mail fraud and wire fraud, 30 years in prison for each count of bank fraud and 10 years in prison for each count of money laundering. He also faces a period of supervised release and a maximum fine of \$1,000,000.00. The defendant is scheduled for an initial appearance on April 14, 2004 at 11:30 a.m .

The criminal charges in this indictment are the result of a joint investigation by the Internal Revenue Service - Criminal Investigation Division, the Department of Treasury, Inspector General for Tax Administration, and the United States Attorney's Office. The case is being prosecuted by Assistant United States Attorney Steven H. Levin.